

**CITY COUNCIL MINUTES**  
**May 11, 2015**

The Honorable Council of the City of Evansville met on regular session at 5:30 p.m. on Monday, May 11, 2015 in the City Council Chambers, Room 301 Civic Center Complex, Evansville, Indiana, with President H. Dan Adams presiding. The following business was conducted.

**These minutes are not intended to be a verbatim transcript. Audiotapes of this meeting are on file in the City Clerk's Office.**

**President Adams:** The Honorable Council of the City Of Evansville is hereby called to order. Madam Clerk, please call the roll.

**ROLL CALL:**

**Present:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**President Adams:** There being eight (8) members present, one (1) member absent, and these members representing a quorum, I hereby declare this session of the Common Council officially opened.

**PLEDGE OF ALLEGIANCE**

Councilman Friend, would you lead us in the Pledge of Allegiance?

Fellow Councilmen, and those in the audience, welcome to the May 11, 2015 meeting of the Common Council

**RECOGNITION OF SCHOOLS**

Are there any students here or have they all gone home to study? Is there a student back there? Great. If you'll need us to sign anything we'll be delighted to do that.

**Unidentified Speaker:** *(Off Mic) (Inaudible)*

**President Adams:** I'm sorry?

**Unidentified Speaker:** *(Off Mic)* Yeah, I'm a student.

**President Adams:** Great, I'm happy for you.

*Laughter*

Thank you. Actually it's a mixed bag being a student so...at any rate.

**COUNCIL ATTORNEY**

Scott Danks is our City Council Attorney.

**SERGEANT AT ARMS**

Officer Hosterman is here to join us tonight. Thank you.

**President Adams:** May I have a motion to approve the minutes of April 27<sup>th</sup>?

**Councilman Friend:** So moved.

**President Adams:** A second?

**Councilman Lindsey:** Second.

**President Adams:** All those in favor?

**REPORTS AND COMMUNICATIONS**

**IN YOUR MAY 8<sup>th</sup> PACKET:**

- \* Resolution C-2015-9
- \* March 2015 Financial Report

**EMAILED MATERIAL:**

- \* Committee Meeting Schedule and Agenda for May 11, 2015
- \* City Council Meeting Minutes for April 27, 2015
- \* Letter from Old National Bank regarding the North Main Street Project

**ON YOUR DESK THIS EVENING:**

- \* Extended Agenda
- \* Economic Development Commission Resolution and Report

**President Adams:** Is there a motion to receive, file and make these reports and communications a part of the minutes of the meeting?

**Councilman O'Daniel:** So moved.

**President Adams:** Second?

**Councilman Friend:** Second.

**President Adams:** We have a second. All those in favor? Opposed? So be it.

First Reading.

**CONSENT AGENDA**

**FIRST READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE G-2015-13**

**FINANCE**

**O'DANIEL**

An Ordinance to Amend the Sewer Tap-In and Connection Charges for the City of Evansville, Indiana

**RESOLUTION C-2015-9****FINANCE****COUNCIL AS A WHOLE**

A Resolution of the Common Council of the City of Evansville Approving an Ordinance of the Vanderburgh County Income Tax Council Establishing the Percentage Credit Allowed for Homesteads for 2016 and Casting the Votes of the Common Council of the City of Evansville on Said Ordinance

**ORDINANCE R-2015-11****APC****C-2 to C-4 w/ UDC**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, More Commonly Known as 116 Baker Avenue

Petitioner: Michael S. Martin Realty XI, LLC

Owners: Same

Representative: Morley & Associates, Inc.

District: Stephanie Brinkerhoff-Riley, Ward 3

**ORDINANCE R-2015-12****APC****CO-2 to C-1**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, More Commonly Known as 2605 Lincoln Avenue

Petitioner: Michael & Cary Gray

Owners: Same

Representative: Michael Gray

District: Missy Mosby, Ward 2

**ORDINANCE R-2015-13****APC****C-2 w/ UDC to C-2 w/ UDC**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, More Commonly Known as 5501, 5521 & 5601 E. Lloyd Expressway

Petitioner: Lloyd Plaza, LLC

Owners: Alfred & Betty Buck Revocable Trust

Representative: Krista B. Lockyear

District: Dan McGinn, Ward 1

**President Adams:** Is there a motion to adopt the Consent Agenda as written?

**Councilman Friend:** So moved.

**Councilwoman Robinson:** Second.

**President Adams:** We have a motion and a second. All those in favor? Thank you.  
Motion passes.

**CONSENT AGENDA**  
**SECOND READING OF ZONING ORDINANCES**

**ORDINANCE R-2015-2**                      **APC**                      **R-2 to C-1**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana,  
More Commonly Known as 1328 Lincoln Avenue  
Petitioner: St. Benedict Cathedral

This petition comes forward with a recommendation for approval from the Area Plan Commission, having 11 affirmative votes.

**ORDINANCE R-2015-3** **APC** **R-4 to C-4**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana,  
More Commonly Known as 922 W. Illinois Street and 917 W. & 907 W. Indiana Street  
Petitioner: FH5 Properties, LLC & Keith J. Stewart

This petition comes forward with a recommendation for approval from the Area Plan Commission, having 12 affirmative votes.

**ORDINANCE R-2015-4** **APC** **R-1 to C-2 w/ UDC**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana,  
More Commonly Known as 926 S. Cullen Avenue  
Petitioner: John F. Maier

This petition comes forward with a recommendation for approval from the Area Plan Commission, having 12 affirmative votes.

<b>ORDINANCE R-2015-5</b>	<b>APC</b>	<b>R-2 &amp; R-4 to C-2 w/ UDC</b>
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An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana,  
More Commonly Known as 1500-1514 and 1600-1614 John Street  
Petitioner: University of Evansville

This petition comes forward with a recommendation for approval from the Area Plan Commission, having 12 affirmative votes.

**President Adams:** Is there a motion to adopt the Consent Agenda Second Reading of Zoning Ordinances and therefore accept the Area Plan Commission Report?

**Councilman Weaver:** So moved.

## President Adams: Second?

**Councilman Friend:** Second.

**President Adams:** We have a motion and a second. All those in favor?

Now sir, I apologize. I...you and I skipped...I skipped a page here. Third Reading.

**REGULAR AGENDA**

**THIRD READING OF ZONING ORDINANCES**

**ORDINANCE R-2015-2**

**APC**

**R-2 to C-1**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana,  
More Commonly Known as 1328 Lincoln Avenue

Petitioner: St. Benedict Cathedral

**James Flynn:** Good evening. Ladies and gentlemen, my name is James Flynn and I've been listening to this discussion for almost two hours about our money. My head is spinning and I'm not sure exactly why I'm here.

**President Adams:** Okay, are there any questions?

*Laughter*

**James Flynn:** Do any of you...are any of you...do any of you remember republican senator Everett Dirksen from Illinois, that distinguished gentleman who once said about the federal budget, "A billion here and a billion there; pretty soon you're talking about real money".

*Laughter*

**President Adams:** I think that probably happened around World War II.

**James Flynn:** That's right.

I'm here on behalf of St. Benedict Cathedral. We want to change that was grandfathered under the...there was no ordinance at the time it was built. We are replacing it. To do that, we have to rezone the area of the sign to a commercial zoning classification. We selected the least intense one and such a small area to assure our neighbors that's there's no way we could ever build anything on there except to put a sign there.

We are asking you to approve an ordinance to rezone this R-2 area to C-1 and I'll be happy to answer any questions about anything other than money.

*Laughter*

**Councilman Friend:** Is it an electronic sign? Is it electronic?

**James Flynn:** Yes it is.

**Councilman Friend:** Okay.

**President Adams:** Any other questions?

**Councilwoman Brinkerhoff-Riley:** I like it. It'll go with the new roof nicely and sidewalks. I've watched all school year this project proceed and it's really impressive what the church is doing to itself.

**James Flynn:** Thank you. We are so pleased and if you'd like to make a donation we'd be happy...

*Laughter*

**Councilwoman Brinkerhoff-Riley:** I have, I have.

**Councilman O'Daniel:** *(Off Mic)* Has every week.

**Councilwoman Brinkerhoff-Riley:** Yes, and monthly is...yes, I do. Yes, it's a wonderful...it's a beautiful church.

**James Flynn:** Thank you.

**Councilwoman Brinkerhoff-Riley:** Great school. I appreciate it every day.

**James Flynn:** Thank you.

**Councilwoman Brinkerhoff-Riley:** My kids are gone for the whole day. It's awesome.

*Laughter*

**President Adams:** Okay, are there any comments from the audience? Yes ma'am? Would you please come up and state your name and where you live please.

**Kelly Al Nashmi:** My name is Kelly Al Nashmi and I live in the Greater Lincolnshire Neighborhood. I'm the former president of the association and at our recent neighborhood association meeting we were discussing this sign and I understood that it was already passed but some of the neighbors have a question about is there going to be a time allowance that this sign can be lit up because some of them that live right there on College Highway and Lincoln are concerned about the light that may be illuminating from the sign.

**Councilman O'Daniel:** *(Off Mic)* Will you turn off the *(Inaudible)*?

**James Flynn:** Yes sir.

**Kelly Nashmi:** Okay, what time?

**President Adams:** Of course most of the light goes up and down the street rather. I don't see much light going across the street.

**Kelly Nashmi:** It was just a concern from some of the neighbors.

**President Adams:** I got that but most of the light...if you look at the orientation of the sign, it is at right angles from going across the street.

**James Flynn:** And this particular sign has a dusk to dawn feature that at dusk the illumination drops like 50% of the, you know, the regular illumination during the day. I don't know whether that answers your question but we'll have it...we'll be able to time the sign but even if we fail to do that the sign is designed to, as I say, at night cut the illumination by...I think it's...I think it's as much as 50%.

**Kelly Nashmi:** Okay. Well that will answer some questions. Thank you.

**President Adams:** Any other comments from our crowd tonight?

**Councilman O'Daniel:** *(Off Mic)* I'll move for a do-pass.

**Councilwoman Brinkerhoff-Riley:** Second.

**President Adams:** There's been a motion and a second. Please call the roll.

**ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**President Adams:** There being eight (8) Ayes and zero (0) Nays, Ordinance R-2015-2 is hereby declared adopted. Good luck sir.

**James Flynn:** Thank you.

**President Adams:** Shine on. Third Reading.

*Laughter*

**REGULAR AGENDA**

### **THIRD READING OF ZONING ORDINANCES**

#### **ORDINANCE R-2015-3**

#### **APC**

#### **R-4 to C-4**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, More Commonly Known as 922 W. Illinois Street and 917 W. & 907 W. Indiana Street

Petitioner: FH5 Properties, LLC & Keith J. Stewart

**President Adams:** You are?

**Jim Morley, Jr.:** Jim Morley, Jr.; Morley & Associates, Project Engineer. And so this is a request to rezone some property that had historically been used for semi parking for the old Coca-Cola facility that was down there. As you all are well aware, the old Coke Building is being turned into the Haier Technology Center, which is a great thing for Evansville; lots of nice, high-paying jobs coming to that area and by rezoning this property, it'll poise that area to develop farther as Haier looks to, at some point, hopefully they will want to expand and so it will hope ready the neighborhood for that area.

And then, as you all aware, Fire & Rain Advertising and Marketing is there on the corner of First Avenue and Illinois Street and the Haier facility will be an ext...will be kept in the same very well maintained look as what Fire & Rain is and so we look forward to moving forward. We did meet with the neighborhood, with folks from the neighborhood and also from the neighborhood association, and they were all for it and didn't have any concerns at all.

**President Adams:** Any comments from Council tonight? Any comments from our guests tonight? I'll entertain a motion.

**Councilman O'Daniel:** So moved.

**Councilwoman Brinkerhoff-Riley:** Second.

**President Adams:** We have a motion and a second. Please *(Inaudible)* the roll call.

#### **ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**President Adams:** There being eight (8) Ayes and zero (0) Nays, Ordinance R-2015-3 is hereby declared adopted.

Good luck.

**Jim Morley, Jr.:** Thank you sir.



**Deputy City Clerk Stenftenagel:** It would be eight ayes and zero nays.

**President Adams:** Huh?

**Deputy City Clerk Stenftenagel:** Eight ayes.

**President Adams:** I apologize, yeah. Eight and one; go for it. I just miss her so much.

### **REGULAR AGENDA**

### **THIRD READING OF ZONING ORDINANCES**

#### **ORDINANCE R-2015-4**

#### **APC**

#### **R-1 to C-2 w/UDC**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana,  
More Commonly Known as 926 S. Cullen Avenue

Petitioner: John F. Maier

**Jim Morley, Jr.:** Jim Morley, Jr.; Morley & Associates, Project Engineer.

So this is a project for the expansion of Boone Funeral Home. I shouldn't say the...not the funeral home but the...creating an indoor parking facility for the hearses. They have roughly six hearses and this has...basically it's a large garage to allow them to keep the hearses inside and to service them and wash 'em throughout the winter. The rezoning has a...we shouldn't have any negative impact upon the neighbors and the owner has spoken with several folks from the neighborhood and they had no concerns.

**President Adams:** Any comments from Council?

**Councilman McGinn:** Just your Use & Development Commitment pretty well limits it.

**Jim Morley, Jr.:** Yes it does.

**President Adams:** Any comments from our guests tonight?

**Councilman O'Daniel:** Move for do-pass.

**Councilman McGinn:** Second.

**President Adams:** We have a motion for a pass and a second. Please call the roll.

### **ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams  
**Absent:** Mosby

**President Adams:** There being eight (8) Ayes and zero (0) Nays, make that quite clear, Ordinance R-2015-4 is adopted.

**Jim Morley, Jr.:** Thanks.

## **REGULAR AGENDA**

### **THIRD READING OF ZONING ORDINANCES**

#### **ORDINANCE R-2015-5**

#### **APC**

#### **R-2 & R-4 to C-2 w/ UDC**

An Ordinance to Rezone Certain Real Estate in the City of Evansville, State of Indiana, More Commonly Known as 1500-1514 and 1600-1614 John Street

**Dr. Breeden:** Evening Doc Adams, members of the Council, my name is Dr. Bruce Breeden. I serve the Telamon Corporation as the Vice President of Energy Solutions. We were selected by the University of Evansville to represent them during this process.

The process is to request an opportunity to rezone residential properties that were aligning to the immediate south of the Lloyd Expressway and the expressed purpose, after we go through the special ordinance next, is to construct a solar array and also an orchard in that area.

**President Adams:** So you'll be generating...you'll be generating solar energy, electrical energy, for the university.

**Dr. Breeden:** It's a very small amount but yes. The main process is for an educational tool for the School of Engineering.

**President Adams:** Ah.

**Dr. Breeden:** We're only producing a 200 kilowatt, which produces...200 kilowatts is at the...

**President Adams:** And the orchard will have what trees in it?

**Dr. Breeden:** The botany professors will determine that. They will be various fall fruits, primarily semi-dwarf apple and peach trees.

**President Adams:** Great.

**Dr. Breeden:** But that final decision has not been made yet by the professors.

**President Adams:** Alright, any questions from Council? Yes.

**Councilman Weaver:** I spoke with Councilperson Missy Mosby, who apologizes; she couldn't be here tonight because there was a death in her family. She knows of no remonstrators.

**President Adams:** I went down and looked at it. This is really an area that has not been used in years. It's next to the baseball field. It really would be kind of attractive driving by in terms of the thing.

**Dr. Breeden:** And it will be fenced so that...

**President Adams:** Yeah.

**Dr. Breeden:**...small children or people walking dogs will not get into it.

**President Adams:** Okay.

**Councilman O'Daniel:** And I assume the university's sort of in the process of purchasing some of those houses to the south on John Street. I mean that's...the grand scheme is *(Inaudible)* to buy all the *(Inaudible)*.

***Speaking Simultaneously***

**Dr. Breeden:** I would agree with that on an unofficial nature. I'm not...

**Councilman O'Daniel:** Understood.

**Dr. Breeden:**...aware of any official decisions but yes, I believe many of their faculty live in some of those homes that they've purchased over the time.

**President Adams:** Any further comment? Any comment for our crowd? Great.

**Councilman O'Daniel:** Roll call or do-pass?

**Councilman Weaver:** Second.

**President Adams:** We have a motion; do we have a second? Great. Roll call.

#### **ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**Dr. Breeden:** Thank you.

**President Adams:** Therefore eight (8) Ayes and zero (0) Nays, Ordinance R-2015-5 is hereby declared adopted.

**CONSENT AGENDA**

**SECOND READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE G-2015-14 AMENDED      FINANCE      O'DANIEL**

An Ordinance Authorizing and Segregating Certain Accounts of the City of Evansville, Indiana

**ORDINANCE G-2015-15      A.S.D.      COUNCIL AS A WHOLE**

An Ordinance Amending the Police Department Merit System in Section 2.175.100 of the Evansville Municipal Code

**ORDINANCE G-2015-16      A.S.D.      COUNCIL AS A WHOLE**

An Ordinance Amending the Fire Department Merit System in Section 2.170.070 of the Evansville Municipal Code

**ORDINANCE F-2015-5      FINANCE      O'DANIEL**

An Ordinance of the Common Council of the City of Evansville Authorizing Transfers of Appropriations, Additional Appropriations and Repeal and Re-Appropriation of Funds for Various City Funds

**ORDINANCE F-2015-6 AMENDED      FINANCE      O'DANIEL**

An Ordinance of the Common Council of the City of Evansville Authorizing Repeals, Re-Appropriations and Additional Appropriations of Funds within Various Departments (DMD)

**RESOLUTION C-2015-8      FINANCE      O'DANIEL**

A Special Resolution Approving and Authorizing Certain Actions and Proceedings with Respect to Certain Proposed Economic Development Bonds

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

**CHAIRMAN O'DANIEL**

**Chairman O'Daniel:** Mister President, your Finance Committee met this evening to hear *Ordinances G-2015-14 Amended, F-2014-5 and F-2015-6 Amended and Resolution C-2015-8*; all come forward with do-pass recommendations. *G-2015-6* was tabled for future consideration.

**A.S.D. COMMITTEE:**

**CHAIRWOMAN BRINKERHOFF-RILEY**

**Chairwoman Brinkerhoff-Riley:** Thank you, Mister President. Your A.S.D. Committee met this evening to hear **Ordinances G-2015-15 and G-2015-16** and both come forward with a do-pass recommendation.

**President Adams:** Is there a motion to adopt the Committee Reports and move the Ordinances and Resolution to Third Reading?

**Councilman O'Daniel:** So moved.

**Councilwoman Brinkerhoff-Riley:** Second.

**President Adams:** We have a motion and a second. All those in favor? So moved.

### **REGULAR AGENDA**

### **THIRD READING OF ORDINANCES AND RESOLUTIONS**

#### **ORDINANCE G-2015-14 AMENDED      FINANCE      O'DANIEL**

An Ordinance Authorizing and Segregating Certain Accounts of the City of Evansville, Indiana

**President Adams:** Is there a motion to adopt G-2015-14?

**Councilwoman Brinkerhoff-Riley:** So moved.

**Councilman O'Daniel:** Second.

**President Adams:** There's been a motion and a second. Roll call please.

#### ***Comments made before casting their respective votes:***

**Councilman McGinn:** I believe we're crossing into that line of micromanaging a department again. We're telling a department head how to do his job and I...we're not allowed to do that and I vote no.

**President Adams:** I've thought a lot about...by the way, I really appreciate the process that went on here. The leadership of the Council and Russ met with counsel, his counsel, on three or four occasions. I think this is something that really is historic. I think number one, we're breaking a 50-year precedent. Number two, I don't think we're micromanaging anything at all. I think we're going to have some transparency. We're going to have...we're not telling the departments how to get their done. I think this is a...I think this is a very formative good...good progress for us. Therefore I vote aye.

### **ROLL CALL**

**Ayes:** Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams  
**Nays:** McGinn  
**Absent:** Mosby

**President Adams:** Therefore, seven (7) Ayes and one (1) Nay, Ordinance G-2015-14 amended hereby declared adopted.

**REGULAR AGENDA**

**THIRD READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE G-2015-15**

**A.S.D.**

**COUNCIL AS A WHOLE**

An Ordinance Amending the Police Department Merit System in Section 2.175.100 of the Evansville Municipal Code

**President Adams:** Is there a motion?

**Councilman O'Daniel:** So moved.

**Councilwoman Brinkerhoff-Riley:** Second.

**President Adams:** We have a motion and a second. Roll call.

**ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**President Adams:** Therefore being eight (8) Ayes and zero (0) Nays, Ordinance G-2015-15 is here now declared adopted.

**REGULAR AGENDA**

**THIRD READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE G-2015-16**

**A.S.D.**

**COUNCIL AS A WHOLE**

An Ordinance Amending the Fire Department Merit System in Section 2.170.070 of the Evansville Municipal Code

**Councilwoman Brinkerhoff-Riley:** So moved.

**Councilman O'Daniel:** Second.

**President Adams:** There's a motion and a second. Roll call please.

***Comment made before casting his vote:***

**President Adams:** I think this again where we've had some discussion, the thing was brought to us, I think we're improved on the law, or the ordinance rather, for both the police and fire. I vote aye.

**ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**President Adams:** There being eight (8) Ayes and zero (0) Nays, Ordinance G-2015-16 is hereby declared adopted.

**REGULAR AGENDA**

**THIRD READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE F-2015-5**

**FINANCE**

**O'DANIEL**

An Ordinance of the Common Council of the City of Evansville Authorizing Transfers of Appropriations, Additional Appropriations and Repeal and Re-Appropriation of Funds for Various City Funds

**President Adams:** Is there a motion?

**Councilman McGinn:** So moved.

**Councilwoman Robinson:** Second.

**President Adams:** We have a motion and a second. Roll call.

***Comment made before casting his vote:***

**Councilman O'Daniel:** Here's the problem. You know, we passed it through committee. I have a problem with the additional appropriations out of LIT into those three line items. We had a budget last year. This increases that budget with no other reduction. I think the other things were fine but I've got a real problem with that. I vote no.

**ROLL CALL**

**Ayes:** McGinn, Robinson, Weaver

**Nays:** Brinkerhoff-Riley, Friend, Lindsey, O'Daniel, Adams

**Absent:** Mosby

**President Adams:** So we have...what is that now? Three (3) Ayes and five (5) Nays; Ordinance F-2015-5 is hereby declared denied.

**Councilman O'Daniel:** And I don't want to speak for everybody on that but I do think as far as if that's the issue that those items can just be left in cash and the other items be brought back before us but I don't think a...I don't know that there's the will to increase our budget at this point so. Next.

**REGULAR AGENDA**

**THIRD READING OF ORDINANCES AND RESOLUTIONS**

**ORDINANCE F-2015-6 AMENDED                      FINANCE                      O'DANIEL**

An Ordinance of the Common Council of the City of Evansville Authorizing Repeals, Re-Appropriations and Additional Appropriations of Funds within Various Departments (DMD)

**President Adams:** Is there a motion to adopt.

**Councilman O'Daniel:** So moved.

**Councilman Lindsey:** Second.

**President Adams:** We have a motion and a second. Roll call please.

**ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**President Adams:** There being eight (8) Ayes and zero (0) Nays, Ordinance F-2015-6 Amended is hereby declared adopted.

**REGULAR AGENDA**

**THIRD READING OF ORDINANCES AND RESOLUTIONS**

**RESOLUTION C-2015-8                      FINANCE                      O'DANIEL**

A Special Resolution Approving and Authorizing Certain Actions and Proceedings with Respect to Certain Proposed Economic Development Bonds

**President Adams:** Is there a motion?

**Councilman O'Daniel:** So moved.

**Councilwoman Brinkerhoff-Riley:** Second.

**President Adams:** Do we have a second?



**Councilman O'Daniel:** I think (*Inaudible*).

*Speaking Simultaneously*

**President Adams:** I apologize. I like to therefore have a roll call.

### **ROLL CALL**

**Ayes:** McGinn, Brinkerhoff-Riley, Robinson, Friend, Lindsey, O'Daniel, Weaver, Adams

**Absent:** Mosby

**President Adams:** Eight (8) Ayes, zero (0) Nays, Resolution C-2015-8 is hereby declared adopted.

### **MISCELLANEOUS BUSINESS**

The next meeting of the Common Council will be Monday, May 18; that's one week away, and the Committee Meetings, right now, will begin at 5:20.

### **General Announcement:**

This is just a general announcement for our people in the audience and on TV. The Rental Registry deadline was yesterday, May 10<sup>th</sup>. If you have not yet registered, please register your properties online and the...I'll say it slow so that you can write it down: <https://rentalregistry.evansville.in.gov/> or go in person in room 310 of the Civic Center. For more information, call the Building Commission: 812-436-7887.

Now, we're lucky to have with us tonight...Mr. Mounts, would you come and talk to us about the disposition of 300K?

**W&S Utility Director Mounts:** Gladly. Allen Mounts, director for the Evansville Water and Sewer Utility.

What Dan was referring to, for the public, was a reference to the 2013 State Board of Accounts audit and in the audit, which was a clean opinion, which meant that the financial statements would be fairly represented, they had three comments that they included in the audit statement. Of that, one comment was specific to the Utility. The other two comments were really specific to the City. So they included comment, those two comments, in the Utility's audit.

Of the one comment that was applicable to the Utility, it related to a water bond payment, which occurred on December 31<sup>st</sup>, to the tune of \$271,890. The timing of the payment occurred one day, or earlier, because a check was issued on January...the check was delivered on December 31<sup>st</sup> to the bank. The bank then went ahead and wired the money to the trust company to pay the bond proceeds to those who held the bond. The bond proceeds then were held by the...then paid out of the trust company to the bond payments on January 2<sup>nd</sup>. The State Board of Accounts said because of the way the transaction evolved that we should have included that on our books as cash on

hand because it was in another checking account even though the account that it went to was a...I'll call it a pass-through account for making the payments.

Had the...and the check, by the way, was dated January 1<sup>st</sup>. Had that wire transfer not occurred then it would not have been an item that would have showed up on the State Board of Accounts comment.

With respect to the other two items, I would defer to Russ to address those items before the Council but I'd be happy to answer any questions the Council has about that transaction.

**Councilman O'Daniel:** So that would have been ultimately \$30,000 to \$40,000 discrepancy I guess in the cash on hand as it was versus what the SBOA found.

**W&S Utility Executive Director Mounts:** Actually it was the...the bond payment was \$271,980 so it's a timing issue where normally that would be processed in the first part of January. It would have been processed on January 2<sup>nd</sup>, wire transferred to the trust company. For whatever reason, that occurred on December 31<sup>st</sup>. Our knowledge of that would have been a month later whenever we received the bank statements so the money was used for its intended purposes; there are no missing funds. It's just the timing of when the wire transfer actually happened. They felt it should have been recognized.

**Councilwoman Brinkerhoff-Riley:** The total amount is \$395,157.

**W&S Utility Executive Director Mounts:** There's two other items that are noted that are related to the City so that number is a reference to all three items and all I'm clarifying is the one related specific to the Utility. I can't address the ones related to the City.

**Councilwoman Brinkerhoff-Riley:** So when was it corrected?

**W&S Utility Executive Director Mounts:** In our case it's not a matter of it being corrected.

**Councilwoman Brinkerhoff-Riley:** That's because you're on an accrual basis?

**W&S Utility Executive Director Mounts:** Well, it's actually on a cash basis.

**Councilwoman Brinkerhoff-Riley:** That's what I meant. You're on a cash basis.

**W&S Utility Executive Director Mounts:** Well we are on an accrual basis but it was a cash audit so the State Board of Accounts audits us both on a cash basis and on an accrual basis. So on accrual basis the expense wouldn't have been recognized until January. On a cash basis, since they saw that the funds were moved out of the checking account into the trustee's account, they said it should have been recognized on the books.

**Councilman O'Daniel:** So as December 31 of '14, or the following year, it's going to show zero.

**W&S Utility Executive Director Mounts:** Correct.

**Councilman Friend:** I just wonder Alan, what they...I mean you explained so why didn't State Board of Accounts explain in that in there because usually the State Board of Accounts really explains that.

**W&S Utility Executive Director Mounts:** No, the State Board of Accounts usually make their comments and then there's a management response to that so our response would have been part of the State Board of Accounts audit. If you thumb through that it's kind of the last part of the audit so...

**Councilwoman Brinkerhoff-Riley:** Well I can see the response but it...I mean this was a 2013 audit that your exit conference didn't occur until November or December of '14. If you had explained to their satisfaction the whereabouts of the money it wouldn't have shown up in the audit at all. I mean you don't have to get it right in real time.

**W&S Utility Executive Director Mounts:** You know the reality is, and John would appreciate this, is they're technically correct. The accounting entry would have happened or should have happened. It didn't happen but for timing reasons we would have even been able to make the accounting entry to reflect that.

**Councilman O'Daniel:** Have you changed the policy as far as when...when to close, sort of, the books year end? I mean because that sounds to me like that's the reason.

**W&S Utility Executive Director Mounts:** What we will make clear is that we won't want the wire transfer to happen on December 31<sup>st</sup>. We'll want it to happen on January 2<sup>nd</sup>. That's...that...

**Councilwoman Brinkerhoff-Riley:** So by default, will your 2014 audit be heavy?

**W&S Utility Executive Director Mounts:** It's not a *(Inaudible)*...it should be okay.

**Councilwoman Brinkerhoff-Riley:** Well they're showing...

**W&S Utility Executive Director Mounts:** The money went in and then the money went out the same day so there's no balance in that checking account.

**Councilwoman Brinkerhoff-Riley:** But that's not what they found. They found you cash short, meaning that you showed it on the books but it wasn't in the bank.

**W&S Utility Executive Director Mounts:** I may need some help explaining it to Stephanie in terms of accounting but on a cash basis the funds existed in an Old National Bank checking account, which was a clearing account for making bond payments so it should have been recorded, technically, by cash accounting rules.

**Councilwoman Brinkerhoff-Riley:** Did you say...okay, I know you're different than the City so you incur debts as they occur not...I mean you log 'em as you occur them not as you pay them.

**W&S Utility Executive Director Mounts:** Well, on a cash basis it would reflect the cash transaction but on an accrual bases, our bond payments would be typically made in January and July consistently; those two time periods. On accrual basis the payment would have been recognized in January because it for a January payment. On a cash basis, it's treated differently because it's the date of the transaction.

**Councilwoman Brinkerhoff-Riley:** I don't think you...I...that's really not my que...I think for you, you incur a debt when you incur it whereas the City logs it when they pay it so is that...that's the difference between you and their basis and so if your bond payment, you log it when it's due not when it's paid necessarily, right?

**W&S Utility CFO Collins:** You're...but you're confusing two different items. I mean you're explaining accrual accounting; you're correct. When we incur a debt, that's when we incur it not when we pay it.

**Councilwoman Brinkerhoff-Riley:** Yeah because they can push it off...

**W&S Utility CFO Collins:** Right.

**Councilwoman Brinkerhoff-Riley:**...into the next year.

**W&S Utility CFO Collins:** But that's not the issue here. We are also...the Utility is audited on a cash basis along with the City.

**Councilwoman Brinkerhoff-Riley:** Even though you don't live on that basis.

**W&S Utility CFO Collins:** That's correct. And we are audited on an accrual basis for the Utility and the audit finding states in there that it says the cash basis for the City and the Utility combined and I can get it and read it to you but that's what it says. The payment that went out, there was a check dated 01/01/2014 for the payment for the 2013A water bond holders for their interest that they're due on 01/01/2014. The check was delivered on December 31<sup>st</sup> because banks are closed on 01/01/2014. They inadvertently wired the money out on 12/31 to Old National Bank; took it out of our operating checking account, put it into an ONB trust account that happens to have the City of Evansville's name on it, which I don't show on the Utility's books because ultimately it's the bond holders' money.

The mistake here was...it was a day and the transaction shouldn't have been wired out til 2014 and it was wired out a day early.

**Councilwoman Brinkerhoff-Riley:** Well why do they still show it...the audit though? It seems like you could explain that to them and they wouldn't...

**W&S Utility CFO Collins:** We did explain it to them but they still thought that it should be recognized that we did not account for that on our books. Had I caught it...that it had happened, I should have recorded that ONB trust account because it is a City of Evansville/ONB trust account. I should have recorded that on our books.

**Councilwoman Brinkerhoff-Riley:** So does it push off then that it'll affect your '14?

**W&S Utility CFO Collins:** It should not affect our '14 whatsoever because the payment was made to the bond holders on 01/02/2014.

**Councilman Friend:** Jenny, can I ask something? But the response...I read the response back on the audit...

**W&S Utility CFO Collins:** Right.

**Councilman Friend:**...about this mix-up on the deal. There wasn't anything mentioned that Russ's comment and there was basically we had problems with the conversions of the bank that went back in 2011. This was brought forward by another year. In other words what I'm hearing the response to the State Board of Accounts doesn't mirror what I'm hearing here tonight.

**W&S Utility CFO Collins:** That is correct and we should have probably been more specific in our response to the State Board of Accounts regarding this but it was discussed with the State Board of Accounts. I believe you were in the meetings with us.

**Councilman Friend:** Oh I wasn't...I wasn't...as...I didn't...I didn't...now when we got into all that is we did not talk about the response that was given up but I never...I never recalled anything about a timing issue that went...well I'm just telling you if I recall the exit conference. Matter of fact I think you were there...

**W&S Utility CFO Collins:** We were asked to come tonight, Mr. Friend. We were asked to come tonight to explain...

**Councilman Friend:** Well I...I know.

**W&S Utility CFO Collins:**...what happened and I believe that we've done that.

**Councilman Friend:** No, I'm just saying I was just noticing our response to the State Board of Accounts and the audit didn't mirror that. I just telling that.

**Councilman O'Daniel:** *(Off Mic)* I guess there's what, 120,000 other...\$120,000 that's on the City side?

**President Adams:** Thank you Mr. Mounts.

**Councilman Friend:** Yeah, thank you.

**City Controller Lloyd:** Okay, and this audit was, even though it was the Water & Sewer Utility, it was done on a...this was a cash audit so they included the City accounts in the audit.

The two items for the City, one of 'em is the investment: the \$1,186,312 recorded on the ledger not in the bank. That's the one that was the investment in City Float that actually goes...went back to like to like 2007 or 2008; that was corrected in 2014.

There was \$500,000.14 going the other way; Money Market account at German American Bank, the amount was \$1,019,709 but on our general ledger it showed \$519,695 so there was a \$500,000 difference. We've corrected that by balancing the investments within the MUNIS system. The prior system was...they had an Excel Subsidiary Ledger of Investments so this was not recorded properly but those are the two City items. That'll get you to the 395.

**President Adams:** Any other comments?

**City Controller Lloyd:** And let me emphasize there is no money missing. There were accounting errors although in the Utilities part, it was...they didn't realize the money was there for the bond payment.

**President Adams:** Thank you.

**City Controller Lloyd:** Thank you.

**President Adams:** Is there anyone else that would like to talk about any other subject at this particular time?

### **COMMITTEE MEETING SCHEDULE FOR MAY 18, 2015**

**FINANCE COMMITTEE:**

Re: **Ordinance G-2015-13**

Time: 5:20 p.m.

Notify: Ted Ziemer

**CHAIRMAN CONOR ODANIEL**

Amend the Sewer Tap-in and Connection Charges for the City of Evansville, Indiana

Re: **Resolution C-2015-9**

Date: 5:25 p.m.

Notify: Ted Ziemer

Approving and Ordinance of the Vanderburgh County Income Tax Council Establishing the Percentage Credit Allowed for Homesteads for 2016 and Casting the Votes of the Common Council on Said Ordinance

**A.S.D. COMMITTEE**

We have nothing scheduled at this time. **BRINKERHOFF-RILEY**

**CHAIRWOMAN STEPHANIE**

**Councilwoman Brinkerhoff-Riley:** But I will not be here next week. I'm going to that blight...I'm going to Detroit if anybody's jealous.

**President Adams:** Sounds like a...now you're going to give us an executive summary of your findings?

**Councilwoman Brinkerhoff-Riley:** That's correct. Connie will be there too but she's leaving Tuesday morning. I didn't...

**President Adams:** Well then we'll have two executive reports.

**Councilwoman Robinson:** I representing the Brownfield. She's representing City Council.

**PUBLIC WORKS COMMITTEE**

No meetings scheduled at this time.

**CHAIRMAN AL LINDSEY**

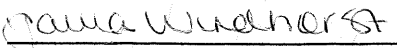
**ADJOURNMENT**


**President Adams:** I would entertain a motion for adjournment.

**Councilman O'Daniel:** So moved.

**President Adams:** All those in favor?

Meeting adjourned at 7:36 p.m.

  
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Laura Windhorst, City Clerk

  
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H. Dan Adams, President